

III.A.1

MEMO TO: City Council

FROM: Rosemarie Ives, Mayor

QUASI-JUDICIAL

DATE: March 15, 2005

**SUBJECT: PUBLIC HEARING: DISCUSSION AND RESOLUTION
REGARDING PROPOSED MICROSOFT DEVELOPMENT
AGREEMENT**

I. RECOMMENDED ACTIONS

Staff recommends the approval with modifications of the requested Microsoft Development Agreement [Attachment A], and requests Council direct the preparation of a resolution affirming this recommendation for subsequent action by City Council.

II. DEPARTMENT CONTACT PERSONS

Roberta Lewandowski, Director, Planning and Community Development, 425-556-2447
Rob Odle, Policy Planning Manager, Planning and Community Development, 425-556-2417.

III. BACKGROUND

On September 30, 1999, the Cities of Redmond and Bellevue entered into an interlocal agreement regarding land use planning and transportation improvements in the Bel-Red/Overlake area [Attachment B]. The agreement, commonly referred to as "BROTS," established commercial development caps for both Redmond [approximately 15.4 million square feet] and Bellevue [approximately 12.2 million square feet] in the area, as well as identified the needed transportation improvements and the means and responsibilities for funding them. Further, the agreement defines the relationships between the two jurisdictions as they relate to development within the BROTS area.

Since the agreement's adoption, development has proceeded consistent with the parameters of the agreement. As shown on Attachment C, Redmond has allowed both development as well as proposed development [in the form of a development agreement] to utilize the development capacity within the cap. Currently within Redmond, 2,629,988 square feet of the development cap have not been used. Concurrent with the BROTS agreement, the City of Redmond adopted a planned action ordinance and environmental impact statement that early on disclosed the environmental impacts of development when consistent with the overall land use plan for the area and within the limitation of the BROTS. The use of the planned action ordinance reduces the need for additional extensive environmental review when development is proposed that is consistent with the planned action ordinance.

Development agreements are sanctioned through state statute [RCW 36.70B.170-210] and allow for a jurisdiction to enter into an agreement with a party as regards the long-term development of a property. Generally, the development agreement statute was designed to deal with larger properties that would develop over time in phases, and the intent was to encourage long-term planning with the knowledge and predictability of the standards of review and improvement design to which the owner would be held. Development agreements allow owners to vest in current local regulations, and in many cases they specify the types of infrastructure and other improvements which the development will be required to supply. In the case of BROTS, a development agreement has been used to “reserve” development rights within the cap. Development agreements require a hearing before the Planning Commission or the City Council and a decision by the City Council.

In addition to this development agreement request, the City also recently has received a request from Nintendo for a development agreement within the Overlake area for approximately 551,000 square feet of new development.

IV. DESCRIPTION

The proposed development agreement will govern the development, use and mitigation of environmental impacts associated with the development of Microsoft’s Corporate Campus over the next 20 years. The agreement outlines provisions for regulatory vesting, allowed square footage, applicable development regulations, concurrency, transportation improvements, transportation demand management, transportation impact fees, transportation advocacy, stormwater improvements, utility improvements, tree retention, and applicable environmental review procedures.

Below is a brief description of each major element of the agreements proposed, and a subsequent section will detail staff recommended modifications:

A. Term of Agreement

The proposed term is 20 years. Extension of the term would require review and approval by the City Council.

B. Allowed Square Footage

The agreement would give Microsoft the right to develop 2,195,488 square feet of gross floor area. The proposed development derives from three sources: the development potential [at .4 FAR] from currently owned properties – 1,408,489 square feet; 579,999 square feet through use of secured transfer of development rights [TDRs]; and additional allowable square footage from public right-of-way vacations (approximately 207,000 square feet), if the vacations are requested and then approved by the City Council. Should the City Council not approve the

vacations or only a portion of them, Microsoft would acquire TDRs in order to make up the difference.

Microsoft also recognizes that its proposal in combination with the Nintendo proposal would exceed the BROTS development cap. In reviewing the land use pattern within the BROTS development area, staff has recognized that there are vacant or severely underdeveloped properties in the area and that it would be inappropriate for all of the development capacity to be utilized by the two development agreement proposals [Attachment D]. Staff has recommended that a “buffer” of 100,000 square feet be held in reserve for other properties within the Overlake area. In recognition of this, Microsoft has proposed to hold 251, 281 square feet in reserve until and if the BROTS cap is raised or removed, or five years has elapsed [for that portion that could still develop under the cap]. Microsoft and Nintendo have had discussions to ensure that the cap will not be exceeded and that “buffer” is maintained.

C. Transportation Demand Management

While Microsoft has established transportation demand management programs that cover the entire Microsoft campus, Microsoft and the City both desire to see improvements to the overall effectiveness of the programs. Microsoft proposes to work with City staff to reevaluate and potentially prepare a revised transportation demand management program for the Microsoft campus, inclusive of both the proposed development as well as existing development. It is proposed that a comprehensive evaluation of the current TMP and potential new actions be prepared and submitted to the City Council by the end of 2005. One result of this effort could be a revised Microsoft TMP. In the interim, or should a new TMP not be proposed, Microsoft proposes that all future development subject to the development agreement would be included in the existing TMP.

D. Parking

Microsoft proposes that a “bank” of 8,450 parking stalls be available for the use of the development covered by the development agreement. On average this would permit 3.85 stalls per 1,000 square feet of new net development. Microsoft further proposes to be able to utilize TDRs for additional parking stalls above the 8,450 proposed stalls. Through the concept of “banking,” parking could be built in conjunction with new office development, or independent of it, and this would increase the ability to centralize parking facilities. The agreement would allow Microsoft to allocate the parking stalls between the Main and West Campus, and may include parking in above or below grade parking structures, or in surface parking areas.

E. Storm Water Detention and Treatment

The property subject to the development agreement lies within portions of four storm water drainage basins, each of which has different programs for dealing with the control and quality of storm water [Attachment E]. For the Bel-Red basin, which utilizes a natural conveyance system, Microsoft proposes to complete a basin-wide storm water master plan and downstream analysis by November 2005. Following the completion and approval of the study and a timeline for implementation, Microsoft will construct the needed facilities that are located on its property and within the basin, or follow the current Citywide standards for quality and quantity controls. Storm water requirements for the NE 40th Street basin will follow a previously adopted drainage plan that utilizes an already constructed pipeline to Lake Sammamish, thus negating the need for separate detention and conveyance facilities. Design and construction of facilities within the SR520/Sears Creek Basin and Sammamish River Basin will utilize the current City-adopted design standards. Microsoft will be required to bring existing development into compliance with regulations adopted for those parcels that will have new development located on them.

F. Density Transfer

Consistent with a previously adopted administrative interpretation, Microsoft will be allowed to allocate square footage between the Main and West Campus [Attachment F]. This would effectively eliminate site-by-site accounting of allowed square footage/FAR.

G. Street Right-of-Way Vacation

The agreement provides that the City shall process an application for right-of-way vacations should Microsoft desire to vacate a portion of or all of the public right-of-way on its campus in the future [Attachment G]. Such an application would be subject to Type V review (recommendation to City Council and City Council Public Hearing). The agreement also provides that for any approved vacation Microsoft shall be entitled to build additional building square footage attributable to the vacated right-of-way. This section also includes a provision that Microsoft shall maintain an open character to its campus in an effort to ensure that impacts to existing City interests in sidewalks, access, transit, etc. are contemplated when such right-of-way vacations are considered by the Council.

H. Transportation Improvements

Microsoft proposes to construct a number of transportation improvements as either mitigation of impacts or as enhancements to the overall area. Each improvement is summarized briefly below.

Mitigation of Traffic Impacts

Microsoft proposes to fund or construct a series of transportation improvements to mitigate the impacts of the proposed development, as well as to enhance general circulation in the vicinity. While summarized here, Attachment H more fully describes the improvements and supplies the analysis in support of the improvements. Attachment I shows the location of the improvements.

Microsoft proposes four projects directly needed to mitigate the impacts of the development. Each of the following are projects already included within the adopted BROTS plan that have been identified as needed to improve circulation within the Overlake area:

1. NE 40th Street/159th Avenue NE – [BROTS 4.1] – Construct an additional northbound left-turn lane.
2. NE 40th Street/150th Avenue NE [West] – BROTS 8.1} – Construct a northbound right-turn lane.
3. NE 36th Street/148th Avenue NE – [BROTS 79.0] - Provide dual southbound left-turn lanes and widen the westbound approach.
4. Bel-Red/156th Avenue NE – [BROTS 22.3] – Construct a southbound left-turn lane.

In addition, Microsoft proposes three projects that primarily improve egress and ingress to the Microsoft campuses:

1. NE 40th Street/163rd Avenue NE – Install a traffic signal and an eastbound right-turn lane.
2. NE 36th Street/156th Avenue NE- Construct an additional southbound left-turn lane.
3. NE 31st Street/156th Avenue NE – Construct an additional westbound left-turn lane.

Microsoft also proposes to fund up to \$15,200,000 for the design and construction of an overpass of SR 520 in the vicinity of NE 36th Street to improve multi-modal connectivity in the Overlake area. The analysis contained within Attachment J demonstrates the utility and effectiveness of this overpass. Funding for the overpass is subject to 30% participation by the City, as well as overall design and construction management. Preliminary design evaluation and cost estimates also are found in Attachment J.

Bel-Red Road Access

The agreement allows Microsoft to construct an access from Bellevue-Redmond Road in the vicinity of NE 30th Street, subject to direction from the Cities of Redmond and Bellevue.

150th Avenue NE Realignment

Through the proposed agreement, Microsoft proposes to realign 150th Avenue NE as it crosses the West Campus. To accomplish this, the current right-of-way would need to be vacated, new public right-of-way dedicated, and new signalization installed.

Transportation Impact Fees

The agreement allows for credit of impact fees where Microsoft will be constructing transportation improvements listed in Redmond's TFP. The agreement also provides that staff shall consider the inclusion of all the proposed transportation improvements into the TFP (if not included already) to allow consideration of impact fee credit for those improvements.

Transportation Advocacy

Microsoft will agree to work with the City to advocate local and regional transportation solutions, with a focus on enhancing the SR520 corridor, supporting the expansion of high capacity transit, as well as enhancing and expanding local transit infrastructure and service. Such advocacy would be coordinated through a joint transportation policy strategy that is updated on an annual basis. Such a strategy would also be consistent with the existing regional facilities coordination portion of agreements such as contained within the BROTS agreement.

40th Street Corridor Enhancement

Microsoft will contribute up to \$200,000 to study and plan a corridor enhancement plan for the NE 40th Street corridor, consistent with the City's and Microsoft's goals for the corridor.

I. Landscape Buffering and Tree Protection

As required in the Redmond Community Development Guide, Microsoft shall construct a vegetative buffer along Bel-Red Road prior to occupancy of any building 25,000 square feet or more.

In lieu of site-by-site compliance with tree preservation requirements, tree preservation will be considered on an area-wide basis. The combined tree preservation for the Main and West Campus shall be an aggregate of 46%.

On the Main Campus, 50% of trees will be saved, and 27% of trees on the West Campus will be saved. In lieu of saving 35% of the trees on the West Campus, Microsoft will plant 125 trees within one year of adoption of the agreement. The trees will be bonded until they reach a size of 6-inches in diameter. Tree replacement at a ratio of 1:1 will be required for removal of all significant trees.

J. Public Utilities

Given the campus nature of the Microsoft development and that many of the roadways are not public, Microsoft has proposed as part of the agreement to be able to locate water and sanitary sewer lines outside of public right-of-way, but within accessible public easements.

In order to assure the adequacy of sanitary sewer service within the Overlake South Sewer Basin, Microsoft agrees to pay, minus mitigation payments already collected by the City, for the construction of Phases 2 and 3 of the Overlake South Trunk line, subject to phased payments and other conditions. Attachment K contains the City-developed cost estimates for the sewer trunk line improvements for Phases 2 and 3.

K. Environmental Review

As provided in the Redmond Community Development Guide, Microsoft must submit an environmental checklist with each development application, and should Microsoft desire to do so, could request coverage under the Overlake SEPA Planned Action. If the Technical Committee makes a determination of planned action coverage, the requirement for issuing a threshold determination does not apply. The agreement further stipulates that, if the City adopts a new planned action or updates the existing, the development proposed under this agreement shall also be eligible for planned action coverage under the new ordinance. The agreement also proposes actions that will be taken should a new ordinance not be adopted.

L. Transportation Concurrency

The impacts from the total development covered by the development agreement make three Transportation Management Districts out of compliance; Grass Lawn, North Redmond, and South East Redmond. For each of these districts, Microsoft proposes to fund supplemental mitigation improvements in order to bring each of these areas back into compliance: for Grass Lawn, a signal at Old Redmond Road and West Lake Sammamish; for North Redmond, traffic control at 172nd Avenue NE and NE 116th Street; and for SE Redmond, rechannelization improvements at East Lake Sammamish and NE 65th Street. Microsoft proposes to fund the full cost of these projects with the design and construction of these improvements

managed by the City. With the funding of these projects, the requirements of the current concurrency regulations will be deemed to have been met.

M. Vested Rights

Except under certain circumstances, Microsoft shall vest under the regulations in effect at the time of execution of the agreement. The agreement further stipulates that the additional development shall not be subject to any moratoria, unless necessitated by a serious threat to public health. Under the proposed agreement many future development activities are vested, including: the density of development, the types of permitted uses, the height and setback of structures, the amount of parking, the type and size of landscaping, tree preservation, transportation improvements necessary to mitigate most impacts of the development, street standards, and quantity controls for storm water. Microsoft is not vested in changes to federal and state regulations or local changes that are required to conform to federal and state regulations, building and fire codes, permit fees and impact fees, and construction standards.

N. Amendments Process

Any changes made to this agreement must be reviewed and approved by the City Council, unless the agreement specifically provides that it can be changed administratively. Further, the proposal provides for the City and Microsoft to meet every two years to review progress on the provisions of the agreement.

O. Transfer of the Development Agreement

The proposed agreement specifies that it is between the City of Redmond and Microsoft and its successors, and is not transferable to others should the land covered by the agreement be sold in part or in whole.

V. BENEFITS TO THE CITY

The proposed development agreement has substantial benefits to the City. Among these benefits is the knowledge of where development will occur within the Overlake area, how the impacts of that development will be mitigated, and how the cost of the mitigation will be paid. While the timing of the development will be market driven, there is a general timeframe established for the development to occur. The proposal affirms Microsoft's intention to remain and grow within the Redmond area and to continue to invest directly and indirectly in the area and in particular the Redmond community.

The improvements proposed are substantially above what would be expected from incremental growth occurring even at the same level of intensity. In many cases, instead of a pro rata share of the improvements cost, Microsoft has agreed to build or fund the full construction of the improvements. While certain of the proposed improvements are

requested to include reimbursement agreements, there is no guarantee that other development will occur in order to provide any substantial reimbursement. Other improvements, such as the NE 36th Street overpass or the NE 40th Street design study, would not be funded through developer contributions, though it is true that these improvements directly benefit Microsoft.

The development agreement also sets the stage for a stronger and more active partnership between Microsoft and the City, such as in the transportation advocacy provisions. Also, the agreement allows both the City and Microsoft to take a more wholistic approach to the development of the campus, so that the area becomes a more integrated area allowing for the appropriate transportation connections to occur. If the area developed in smaller increments, there would be less likelihood for the integration and connections to occur.

Approval of the agreement will provide an easier and more predictable means to plan for the provision of municipal services within the Overlake area. Through the agreement, the City will know better when and where services will be needed within the area. Finally through the adoption of the development agreement, many of the issues that are repeatedly dealt with for each site plan entitlement for each separate building will be done once for all of the development. While this will greatly benefit Microsoft, the City also benefits through reduced staff time spent on each subsequent application and by establishing what improvements will be tied to which site plan entitlement. By dealing with many of the development issues in the development agreement, the number of issues that must be resolved at the time of site plan entitlement will be significantly reduced and simplified.

Approval of the agreement supports the retention and expansion of a major Redmond business that has made significant contributions to the community, and the agreement is consistent with the City's policies to focus commercial growth in our centers. The proposal also is consistent with regional plans to support economic expansion of the region's businesses within centers where there already is infrastructure in place to serve them, so that the impacts associated with growth can more readily be mitigated.

Approval of the development agreement will improve development predictability, reduce subsequent development review time and staffing needs, significantly expand the privately funded improvements to infrastructure, and form a stronger partnership between Microsoft and the Redmond community.

VI. MODIFICATIONS

Staff recommends approval of the proposed Microsoft Development Agreement; however; we also recommend a number of modifications to the agreement. These modifications are detailed and explained in the following chart.

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Issue	Location	Wording As Proposed	Staff Proposed Modification	Explanation
1. Holdback provision	Section 1	If within five years, the 100,000 sq ft has not been utilized, Microsoft can proceed to use the 100,000 sq. ft.	Remove this provision so that the 100,000 sq ft of “buffer” remains until and if the cap is raised, or until the buffered properties have developed	The City cannot predict when and if vacant or nearly vacant properties will develop. However, the City cannot create a situation where the cap must be exceeded in order to allow a vacant property a “reasonable use.”
2. Transportation Demand Management Review Process	Section 3a	Specific background statement and study objectives are proposed as is a completion date for the study.	Following submittal of the TMP report, City staff must review and City Council must approve the report as an amendment to the development agreement.	The proposed section does not contain a City review and approval process, and there must be agreement of both parties that the proposed changes achieve measurable improvements to the existing TMPs. Likewise, the City should be the determiner if a new TMP is needed.
3. Proposed Number of Parking Stalls	Section 3b	A base of 8,450 stalls are proposed with additional stalls permitted through the acquisition of TDRs.	Staff would propose a base of 7,850 with additional stalls potentially permitted through the TMP review or through the acquisition of TDRs up to as limited by policy [no greater than 5.0 stalls per 1,000 sq. ft.].	The development guide permits up to 3.5-3.6 stalls per 1,000 sq ft in the OV zone, which would equal 7,850 stalls for the size of the proposed development. The code potentially allows additional stalls through demonstration that an effective TMP reduces demand greater than by reducing the parking supply.
4. Vesting of Storm Water Quality Standards	Section 4a	Storm water quality standards are vested unless an acute health crisis for humans or animals will be lessened if new standards are followed.	All significant storm water quality standards amendments at the local level are subject to a review before the City Council to determine if the need is significant enough to warrant requiring the development to be subject to the new standards.	Storm water quality standards are in flux, while quantity standards are not. Future state mandates may describe attainment levels, but not methods. Therefore, if local standards are enacted either to meet an acute health need or to meet state or federal attainment levels, Microsoft is not immune from meeting those standards, so long as there is the opportunity to review the situation before the City Council.

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Issue	Location	Wording As Proposed	Staff Proposed Modification	Explanation
5. Transportation Impact Fees	Section 7d	No specific mention of King County Impacts Fees, or funding BROTS or other improvements within Bellevue.	Inclusion of a citation regarding the payment of King County impact fees and recognition of the requirements of the BROTS agreement, as it pertains to impacts occurring from Redmond development in Bellevue.	Both situations require compliance through ordinance and agreements.
6. 36 th Street Overpass Project Initiation	Section 8	Microsoft, at its option, may request the City to proceed with the project.	Delete "at its option."	Either the project is to be done and is part of the agreement, or it is not. There is a great deal of public benefit that resides with this particular project. While the exact timing of the project does not have to be determined at this time, the commitment to proceed with it should.
7. 36 th Street Overpass Funding	Section 8	Payment of 70% of the cost of the project up to \$15.2M.	Inclusion of a specified construction cost inflation index or some other method to cover rising costs, in order to maintain the 70% share of project costs.	In order to maintain the 70% funding ratio, particularly given that there is no timeline for the project's initiation, there needs to be an accepted means to increase the funding commitment due to project cost increases due to inflation, as well as greater refinement in cost estimating once the design is better known.
8. Availability of Water and Sewer.	Section 12	As long as the requirements of Section 12 are met, sufficient sewer and water capacity will exist.	As long as the requirements of Section 12 are met and additional analysis demonstrates adequate capacity, sufficient sewer and water capacity will exist.	Additional capacity analysis is necessary for both water supply on a portion of the Main Campus and for two of the three sewer basins. If there is insufficient capacity, then additional improvements may be necessary at the site plan entitlement stage.

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Issue	Location	Wording As Proposed	Staff Proposed Modification	Explanation
9. Cost of Trunkline Sewer Replacement Project	Section 12b	Total Microsoft contribution shall not exceed \$3.5M.	Shall not exceed \$4.0M.	The City will make every effort to minimize the cost of the project, but likewise cannot cover any direct costs on this project. Staff is convinced that \$4.0M is adequate to cover the cost of this project. Any funds not expended will be refunded to Microsoft following the proposed audit.
10. Timing of Trunkline Sewer Project	Section 12b	Shall complete by 12/31/2007.	Shall make every effort to complete by 12/31/2007.	This is a very rapid turnaround for a project that is not even in the City's right-of-way. While the City will make every effort to complete the project with this timeline, it cannot be guaranteed.
11. Future Environmental Review	Section 13	If the planned action ordinance expires, the City will adopt the BROTS FEIS for development under this agreement.	The applicant will supply all necessary checklists and request inclusion under the planned action ordinance. The City will proceed with the request. Should the planned action ordinance expire, the applicant must submit the necessary checklist, and the City will issue the appropriate determination.	The City cannot modify the procedures that a development must follow under a planned action ordinance.
12. Timing of Supplemental Mitigation Payments	Section 14	Payments of supplemental mitigation due at specified occupancy thresholds.	Payments due when the concurrency certificate is issued. Also, the costs for the projects need further refinement.	There should be a clear relationship between the attainment of concurrency and the payment of the means to achieve concurrency.
13. Relationship Between BROTS and Development Agreement	N/A	N/A	Include a section in the agreement which describes the relationship between the adopted BROTS agreement and how development covered by the development agreement will be processed.	While the BROTS agreement is clear as to the process between Redmond and Bellevue for reviewing development, Bellevue City Council members and staff have expressed a strong desire to see that relationship explicitly described within the agreement.

VII. IMPACTS

A. Service Delivery

Approval of the development agreement in and of itself will not affect service delivery, as the agreement is consistent with the planning assumptions and land use forecast used in the development of the BROTS agreement and the planned action ordinance. Service demands will occur only as new development, consistent with the agreement, is proposed and goes through the site plan entitlement process. Through the adoption of the development agreement, preparation for the provision of service delivery should be easier, as there will be knowledge of where development within the area is to occur and a reasonable timeline established for its development.

B. Fiscal

The proposed development agreement will increase the private funding of public infrastructure improvements in the Overlake area. Because of the increased number of projects, staffing loads may increase to manage the projects, although most of the projects are contemplated as part of the previously adopted plans. The proposal is consistent with the BROTS agreement, and therefore does not propose development that was not anticipated within the area.

The agreement in and of itself will not increase or decrease City costs, but costs as well as corresponding revenues will occur as each of the developments covered by the development agreement is proposed and processed.

VIII. SEPA

The proposed agreement was reviewed for compliance with the State Environmental Policy Act [SEPA]. A SEPA checklist was submitted by the applicant requesting coverage under the Overlake SEPA Planned Action. Section RCDG 20C.70.35-070, Overlake SEPA Planned Action, provides that the environmental impact statement be completed for the Overlake Neighborhood Plan and Bel-Red. The Overlake Transportation Study may be used as the environmental review where it has adequately addressed the environmental impacts for a given proposal. Pursuant to RCDG 20C.70.35-070, the proposed development agreement met the qualifications for coverage under the Overlake SEPA Planned Action. A Determination of Planned Action Coverage was issued by the Technical Committee for the City of Redmond on January 27, 2005 [Attachment L]. It should be noted that future development proposals governed by the proposed agreement shall also be subject to future environmental review under SEPA.

Pursuant to the BROTS agreement, the City of Bellevue has been notified of the proposal and has been provided appropriate analysis. Bellevue staff members have responded with comments on the transportation impacts, to which our staff has responded (Attachment M). On March 7, 2005, Microsoft and Redmond staff members provided an overview of the proposal to the Bellevue City Council. At that meeting, some Bellevue

City Council members expressed their desire to see a description included in the agreement of the relationship between BROTS and the development agreement.

IX. NOTICE OF PUBLIC HEARING

A notice for the public hearing [Attachment N] was published on March 1, 2005 in *The Seattle Times* and posted as required.

X. ALTERNATIVES

A. Approve the development agreement with the recommended modifications and direct staff to prepare a resolution for approval that would direct the Mayor to sign the revised development agreement. In this case, staff would return at the earliest appropriate regular Council meeting to present a resolution and a modified development agreement.

B. Approve the development agreement with changes to the recommended modification and direct staff to prepare a resolution for approval that would direct the Mayor to sign the revised development agreement. If this option is chosen, staff would prepare a revised development agreement and resolution for Council consideration at the earliest appropriate regular Council meeting.

C. Approve the development agreement as proposed by Microsoft and direct staff to prepare a resolution for approval that would direct the Mayor to sign the proposed development agreement. In this case, staff would return at the earliest appropriate regular Council meeting with a resolution for Council approval.

D. Deny the agreement: If this option is chosen, any development proposed must comply with any and all regulations in effect at the time of the application.

XI. TIME CONSTRAINTS

There are no legal time constraints relative to approval of the agreement. However, the applicant is requesting a decision on the agreement to be issued as expeditiously as possible.

XII. LIST OF ATTACHMENTS

Attachment A: Development Agreement

Attachment B: BROTS Agreement

Attachment C: Overlake Neighborhood Commercial Growth

Attachment D: Remaining Commercial Land Use Potential in Overlake

Attachment E: Storm Water Basins

Attachment F: Density Transfer Determination

Attachment G: Proposed Right-of-Way Vacations

Attachment H: Transportation Assessment Summary

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Attachment I: Map Showing Locations of Proposed Transportation Improvements
Attachment J: NE 36th Street Overpass Design Information
Attachment K: Sewer Trunkline Cost Estimates
Attachment L: SEPA Determination
Attachment M: Response to Bellevue
Attachment N: Notice of Public Hearing
Attachment O: E-Mail to City Council

<u>/s/</u>	<u>3/9/05</u>
Roberta Lewandowski, Planning Director	Date

Approved for Council Agenda: <u>/s/</u>	<u>3/10/05</u>
Rosemarie Ives, Mayor	Date